



## ANNUAL AND COMPENSATORY LEAVE TERMINATION OR RETIREMENT PAYOUTS



The following processes in KHRIS are executed under PA30, Maintain Master Data.

In preparation of making termination payouts, the HR Administrator must verify the number of annual hours to be compensated in accordance with the maximum number of hours per the employee's months of service. This is necessary because KHRIS will allow any number of annual hours to be entered; there is no validation against months of service shown on IT416. Failure to check the limit per months of service may result in the employee being overcompensated. The maximum number of annual leave hours to be paid out per months of service, for a KRS Chapter 18A\* employee is as follows (see 101 KAR 2:102):

Months of Service	Maximum Amount
0-59 months	Thirty (30) workdays
60-119 months	Thirty-seven (37) workdays
120-179 months	Forty-five (45) workdays
180-239 months	Fifty-two (52) workdays
240 months and over	Sixty (60) workdays

(To arrive at the number of hours, multiply the number of workdays shown by 7.5 or 8.0, depending upon whether the employee is a 37.5 or 40.0 hour/week employee respectively, to arrive at the maximum amount of hours to be paid)

If the employee has **terminated** and the annual leave quota exceeds the maximum number of hours to be paid, the excess hours are removed from the annual bucket via IT2013 Quota Correction and the employee does not retain or receive those excess hours. If the employee has **retired** and the annual leave quota exceeds the maximum number of hours to be paid, the excess hours are removed from the annual bucket and added to the sick leave quota bucket via IT2013 Quota Correction. The 2013 should be dated with the last day of employment.

To execute the payouts, select IT0416 Time Quota Compensation and enter the Sty (subtype). The subtypes can be found on the Quota Compensation sheet (available under Resources/Processes/Quota) or use the matchcode box drop down choices to select the subtype. The Quota Compensation subtype indicates the retirement system in which the employee was enrolled. The retirement system determines how retirement is applied to the payout.

Select Create. Enter a starting date of the last day of employment for the employee.

The absence quotas will be listed. Using the maximum number of annual hours you have determined are to be compensated, enter the hours to be paid. Click Save.

Perform this procedure for both annual and compensatory leave payouts.

If you are deferring the annual and/or compensatory leave payout, you must calculate your deferral amount. You may use the Deferred Comp Calculation Tool.

To defer the payout, select IT 0015, Additional Payments. Enter wage type 6310 for a 401(K) plan or wage type 6311 for a 457 plan. The plan or plans to which to direct the deferrals will be on the payroll authorization form from KY Employees Deferred Compensation Authority. Enter the amount to be deferred. The date of origin should be the final date of employment. If the employee is deferring to both 401(K) and 457 plans, repeat the action for each plan. Click Save after completing each IT0015.

\*Employee groups with maximum payout amounts that differ from KRS Chapter 18A, is as follows:

Employee Group	Maximum Annual Payout	Maximum Compensatory Payout
KRS Chapter 156 (technical education teachers):	450 Hours	200 Hours
KRS Chapter 16 (Kentucky State Police):	Same as 18A	240 Hours
Legislative Research Commission	900 Hours. Anything over converts to sick leave	240 Hours

NOTE: To prevent incorrect bank accounts from remaining active on IT0009 in cases of rehire, that information is delimited with a date 45 days from the effective date of the retirement/separation date. If processing a void of retirement or separation, the HR Administrator must remember to delete the check record created by the previous action. For rehires, the employee should re-enroll in direct deposit.

Useful tools:

Deferred Comp Calculation Tool  
Quota Compensation Sheet